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April 11, 2020

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Carranza:

As the Small Business Administration (SBA) continues its work to implement the programs created under the CARES Act (Pub. L. 116-136), approved by Congress and signed into law by President Trump on March 27, 2020, I am writing to you regarding concerns I am hearing from Iowa's agricultural community. Implementation of this unprecedented legislation is a daunting task, and I commend your tireless efforts to quickly get aid to small businesses. As I have spoken with farmers and producers across Iowa, I respectfully ask that SBA addresses the following issues.

First, Iowa farmers are unable to access the Economic Injury Disaster Loan (EIDL) through the Small Business Administration. In light of the extraordinary nature of the COVID-19 crisis, language in the CARES Act expands eligibility for this program to businesses and organizations not traditionally eligible for this program. I have heard countless stories describing the urgency of this situation in the agricultural community. Most recently, I spoke with a farmer who told me he has been forced to dump milk from his cows because he has no place to sell it, preventing him from making any income. I urge you to allow farmers to be eligible to receive EIDL loans, as COVID-19 has negatively impacted an already struggling farm economy.

Further, when the Paycheck Protection Program (PPP) went live on April 3, banks and financial institutions across the country began providing loans to small businesses. However, several days later, I am still hearing of community banks and farm credit lenders across Iowa that have not yet been approved to administer loans, therefore preventing farmers from being able to access the PPP. The only source of capital for many family farmers is through the Farm Credit System or small banks in their rural communities. It is critical that these lenders be approved as soon as possible so that farmers and other small businesses can access these emergency funds.

Finally, it is important that the SBA clarify that revenue size standards do not apply for farms that participate in the PPP. It is my understanding that agriculture enterprises that employ 500 or less people, whose principal place of residence is in the United States, are eligible irrespective of revenue levels. However, I continue to hear that there is uncertainty in the agriculture community about this matter. It is imperative that our agriculture community knows that this program is meant for them just like any other small business.

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Thank you for your timely consideration of these requests. Farmers are the backbone of many rural communities across Iowa and the nation, and it is important that we provide them with the resources and tools needed to weather the economic devastation caused by COVID-19. I appreciate your strong leadership as our nation's farmers and small businesses face this unprecedented crisis.

Sincerely,

A handwritten signature in blue ink that reads "Joni K. Ernst". The signature is written in a cursive style with a large, stylized initial "J".

Joni K. Ernst
United States Senator